

Program Memorandum Intermediaries/Carriers

Department of Health and
Human Services (DHHS)
CENTERS FOR MEDICARE
AND MEDICAID SERVICES
(CMS)

Transmittal AB-01-165

Date: NOVEMBER 14, 2001

CHANGE REQUEST 1555

THE FINAL RULE IMPLEMENTING THE AMBULANCE FEE SCHEDULE HAS NOT YET BEEN PUBLISHED. AS A RESULT, THERE MAY BE CHANGES MADE TO THIS INSTRUCTION DUE TO THE PUBLICATION OF THE FINAL RULE.

SUBJECT: Implementation of an Ambulance Fee Schedule

This Program Memorandum (PM) provides claims processing instructions to implement the National Ambulance Fee Schedule.

I. Updates to PM AB-00-88, PM AB-00-118, and PM AB-00-131

Effective for dates of service on or after April 1, 2002, use the following instructions to implement the Ambulance Fee Schedule: AB-00-88 (Change Request 1281), AB-00-118 (Change Request 1461), and AB-00-131 (Change Request 1476), as amended by this PM.

A. Carriers

Mandatory Assignment

Mandatory assignment is effective for all ambulance claims (specialty 59) for dates of service furnished on or after April 1, 2002.

- If a claim is submitted as unassigned, convert the claim to assigned.
- If a claim is submitted as unassigned and has some dates of service prior to the April 1, 2002, transition, and other dates of service on or after that date, split the claim. Convert the portion of the split claim with dates of service on or after April 1, 2002 to assigned.

Use Remittance Advice Remark Code N71. The present wording of Remark Code N71 will be modified to read, "Your unassigned claim for a drug or biological, clinical diagnostic laboratory services or ambulance service was processed as an assigned claim. You are required by law to accept assignment for these types of claims."

Multiple Billing Methods

Effective for dates of service on or after April 1, 2002, with the implementation of the fee schedule, carriers must ensure that each supplier uses only one billing method. To ensure that suppliers have elected one billing method by March 31, 2002, furnish suppliers with a notice of the necessity to convert to one of their current billing methods as soon as possible, but no later than March 1, 2002. Give suppliers at least 30 days to make an election. In accordance with the suppliers' election, convert suppliers using multiple billing methods to one of their current billing methods which the claims processing system supports. In the absence of an election, carriers should convert the suppliers using multiple billing methods to billing Method 2.

All 2001 reasonable charge data for all billing methods are updated by the 2002 ambulance inflation factor (AIF). (This will assure that the multiple biller's election of a single billing method will nonetheless be accurate.)

Intermediaries accept only one billing method per the instructions in PM AB-97-15, dated November 1997.

B. Carriers and Intermediaries

Payment Determination

Effective for services furnished on or after April 1, 2002, payment will be based on the category of service required by the condition of the beneficiary. The only exception to this policy is when an Advance Life Support (ALS) assessment and a Basic Life Support (BLS) transport are furnished but the beneficiary's condition warrants only a BLS service. In this case, an ALS 1-emergency service is appropriate and during the transition bill HCPCS code Q3017. (See item IV. C.)

An emergency category of service is appropriate only when there is an immediate response to a 911-type call.

Transition

Implement the transition period to the full fee schedule as follows:

<u>Date</u>	<u>Reasonable Charge/Cost Percent</u>	<u>Fee Schedule Percent</u>
04/01/02 – 12/31/02	80	20

The remaining transition schedule will be released later.

Advanced Life Support (ALS) Vehicle Used, But No ALS Service Furnished

Effective for dates of service on or after April 1, 2002, when suppliers and providers use an ALS vehicle to furnish a BLS level of service, use HCPCS A0428 for BLS, and HCPCS A0429 for BLS emergency.

ALS Vehicle Used, Only ALS Service is ALS Assessment

See item IV. C, below.

New HCPCS Code for Ground Mileage

Effective for dates of service on or after April 1, 2002, suppliers and providers must use HCPCS code A0425 for ground mileage. HCPCS A0380 and A0390 are invalid for dates of service on or after April 1, 2002.

For carriers only: To establish a reasonable charge for the blended payment during the transition period for HCPCS A0425, develop a simple average (not a weighted average) of the 2001 reasonable charge allowances for HCPCS codes A0380 and A0390 per PM AB-00-88. Use that average updated with the Ambulance Inflation Factor (see PM AB-01-22).

II. Clarifications to PM AB-00-88, PM AB-00-118, and PM AB-00-131

Point of Pickup Zip Code for Emergency Pickup Outside of the United States

PM AB-00-88 dated September 18, 2000, states that the point of pickup determines the basis for payment under the fee schedule, and the point of pickup is reported by its five-digit zip code.

For coverage and limitations for ambulance services furnished in connection with foreign inpatient hospital services, refer to the Medicare Intermediary Manual (MIM) §3698.4, the Medicare Carriers Manual (MCM) §2312, and 42 Code of Federal Regulations (CFR) §411.9.

For points of pickup outside of the United States or in United States territorial waters, suppliers and providers should report the point of pickup zip code according to the following:

- For ground or air transport outside of the United States to a drop off outside of the United States (in Canada or Mexico), the point of pickup zip code is the closest United State zip code to the point of pickup.
- For water transport from the territorial waters of the United States to the United States, the point of pickup zip code is the zip code of the port of entry.
- For ground transport from Canada and Mexico to the United States, the point of pickup zip code is the zip code at the United States border at the point of entry into the United States.
- For air transport from areas outside of the United States to the United States, the point of pickup zip code is the zip code at the United States border at the point of crossing.

III. BIPA Medicare Payment Rates

The following payment allowances for ambulance mileage are effective for services furnished on or after April 1, 2002.

A. Carriers and Intermediaries

Payment for Rural Ground Mileage

BIPA §221 requires higher payment for additional rural ground miles. The Ambulance Fee Schedule amounts for rural ambulance ground mileage are as follows:

- For rural miles 1-17, the rate will be 1.5 times the urban ground mileage rate per mile. Multiply 1.5 times the urban mileage rate amount on the fee schedule to derive the appropriate payment per mile;
- For rural miles 18-50, the rate will be 1.25 times the urban ground mileage rate per mile. Multiply 1.25 times the urban mileage rate amount on the fee schedule to derive the appropriate payment per mile; and
- For all ground miles greater than 50, pay the urban mileage rate per mile.

Payment for Rural Air Mileage Fee Schedule Amount

Rural air mileage remains 1.5 times the urban air mileage rate per mile for all rural air miles. Obtain this rate from the fee schedule file.

B. Carriers

In-County Ground Ambulance Mileage Fee Schedule Amount

Effective for services furnished on or after April 1, 2002, BIPA §423 requires payment of the full, unblended fee schedule amount for all mileage in States where the carrier paid separately for all out-of-county ground ambulance mileage, and did not make separate payment for any ground ambulance mileage within the county. In those States, payment for all Medicare covered ground ambulance mileage will be made based on the full Ambulance Fee Schedule amount for HCPCS code A0425. Suppliers located in North Carolina and Tennessee have been identified as eligible for this payment.

IV. Clarifications Based on Comments to the Ambulance Fee Schedule Final Rule

A. Definitions

Any definition changes will be addressed in the publication of the final rule.

B. List of Beneficiary Conditions

CMS will address the issue of a list of beneficiary conditions in the publication of the final rule and a subsequent PM.

C. Only ALS Service Furnished is ALS Assessment

Effective for services furnished on or after April 1, 2002 and during the transition period only, when an ALS ambulance arrives, and provides an ALS assessment, but does not provide any other ALS service, use the HCPCS code Q3017. After the transition period, bill this service as ALS1-Emergency (A0427). The ALS assessment is applicable only for an emergency ambulance service. The Medicare program does not recognize an ALS assessment except when furnished in an emergency situation.

For intermediaries, the fee for this service should be blended with the appropriate reasonable cost.

For carriers only: To determine the payment amount for the new HCPCS code Q3017, blend the fee schedule amount for A0427 (ALS1-Emergency) with the supplier's appropriate reasonable charge amount for a BLS, emergency service (former HCPCS codes A0302, A0322, A0342, or A0362).

See Attachment A, "Ambulance HCPCS Crosswalk and Definitions," for a crosswalk of new HCPCS to old HCPCS. For HCPCS Q3017, this crosswalk is relevant for payment purposes only. An old HCPCS code did not exist for these services.

D. Retention of Level III HCPCS Codes

You may continue the use of Level III HCPCS codes (this system was in effect on August 16, 2000) through December 31, 2003. This is required by BIPA §532, enacted December 21, 2000. You may not use a Level III code if there is a Level II code that is appropriate.

V. Provider Education

Provider education is planned for new items in this release. Training materials and additional information will be furnished to contractors at the appropriate time.

The *effective date* for this Program Memorandum (PM) is April 1, 2002.

The *implementation date* for this PM is April 1, 2002.

These instructions should be implemented within your current operating budget.

This PM may be discarded after December 31, 2006.

If you have any questions, contact the following individuals:

Payment and coverage policy: Glenn McGuirk at (410) 786-5723

Carrier operational issues: Dolores Crujeiras at (410) 786-7169

Ronalda Leneau at (410) 786-6147

Intermediary operational issues: Nicole Atkins at (410) 786-8278

Attachment

ATTACHMENT A

AMBULANCE HCPCS CROSSWALK AND DEFINITIONS

New HCPCS Code	Description of HCPCS Codes	Old HCPCS Code
A0430	Ambulance service, conventional air services, transport, one way, fixed wing (FW)	A0030
A0431	Ambulance service, conventional air services, transport, one way, rotary wing (RW)	A0040
A0429	Ambulance service, Basic Life Support (BLS), emergency transport, water, special transportation services	A0050
A0428	Ambulance service, BLS, non-emergency transport, all inclusive (mileage and supplies)	A0300 (Method 1)
A0429	Ambulance service, BLS, emergency transport, all inclusive (mileage and supplies)	A0302 (Method 1)
Q3017	Ambulance service, Advanced Life Support (ALS) assessment, no other ALS service provided	A0302 (Method 1)
None	Ambulance service, Advanced Life Support (ALS), non-emergency transport, no specialized ALS services rendered, all inclusive (mileage and supplies)	A0304
A0426	Ambulance service, ALS, non-emergency transport, specialized ALS services rendered, all inclusive (mileage and supplies)	A0306 (Method 1)
None	Ambulance service, ALS, emergency transport, no specialized ALS services rendered, all inclusive (mileage and supplies)	A0308
A0427	Ambulance service, ALS, emergency transport, specialized ALS services rendered, all inclusive (mileage and supplies)	A0310 (Method 1)
A0433	Ambulance service, advanced life support, level 2 (ALS2), all inclusive (mileage and supplies)	A0310 (Method 1)
A0434	Ambulance service, Specialty Care Transport (SCT), all inclusive (mileage and supplies)	A0310 (Method 1)
A0428	Ambulance service, BLS, non-emergency transport, supplies included, mileage separately billed	A0320 (Method 2)
A0429	Ambulance service, BLS, emergency transport, supplies included, mileage separately billed	A0322 (Method 2)
Q3017	Ambulance service, Advanced Life Support (ALS) assessment, no other ALS service provided	A0322 (Method 2)
None	Ambulance service, ALS, non-emergency transport, no specialized ALS services rendered, supplies included, mileage separately billed	A0324
A0426	Ambulance service, ALS, non-emergency transport, specialized ALS services rendered, supplies included, mileage separately billed	A0326 (Method 2)
None	Ambulance service, ALS, emergency transport, no specialized ALS services rendered, supplies included, mileage separately billed	A0328
A0427	Ambulance service, ALS, emergency transport, specialized ALS services rendered, supplies included, mileage separately billed	A0330 (Method 2)

A0433	Ambulance service, ALS2, supplies included, mileage separately billed	A0330 (Method 2)
A0434	Ambulance service, SCT, supplies included, mileage separately billed	A0330 (Method 2)
A0428	Ambulance service, BLS, non-emergency transport, mileage included, disposable supplies separately billed	A0340 (Method 3)
A0429	Ambulance service, BLS, emergency transport, mileage included, disposable supplies separately billed	A0342 (Method 3)
Q3017	Ambulance service, advanced life support (ALS) assessment, no other ALS service provided	A0342 (Method 3)
None	Ambulance service, ALS, non-emergency transport, no specialized ALS services rendered, mileage included, disposable supplies separately billed	A0344
A0426	Ambulance service, ALS, non-emergency transport, specialized ALS services rendered, mileage included, disposable supplies separately billed	A0346 (Method 3)
None	Ambulance service, ALS, emergency transport, no specialized ALS services rendered, mileage included, disposable supplies separately billed	A0348
A0427	Ambulance service, ALS, emergency transport, specialized ALS services rendered, mileage included, disposable supplies separately billed	A0350 (Method 3)
A0433	Ambulance service, ALS2, mileage included, disposable supplies separately billed	A0350 (Method 3)
A0434	Ambulance service, SCT, mileage included, disposable supplies separately billed	A0350 (Method 3)
A0428	Ambulance service, BLS, non-emergency transport, mileage and disposable supplies separately billed	A0360 (Method 4)
A0429	Ambulance service, BLS, emergency transport, mileage and disposable supplies separately billed	A0362 (Method 4)
Q3017	Ambulance service, advanced life support (ALS) assessment, no other ALS service provided	A0362 (Method 4)
None	Ambulance service, ALS, non-emergency transport, no specialized ALS services rendered, mileage and disposable supplies separately billed	A0364
A0426	Ambulance service, ALS, non-emergency transport, specialized ALS services rendered, mileage and disposable supplies separately billed	A0366 (Method 4)
None	Ambulance service, ALS, emergency transport, no specialized ALS services rendered, mileage and disposable supplies separately billed	A0368
A0427	Ambulance service, ALS, emergency transport, specialized ALS services rendered, mileage and disposable supplies separately billed	A0370 (Method 4)
A0433	Ambulance service, ALS2, mileage and disposable supplies separately billed	A0370 (Method 4)
A0434	Ambulance service, SCT, mileage and disposable supplies separately billed	A0370 (Method 4)
A0425	BLS mileage (per mile)	A0380 (averaged with A0390)
None	BLS routine disposable supplies	A0382

None	BLS specialized service disposable supplies; defibrillation (used by ALS ambulances and BLS ambulances in jurisdictions where defibrillation is permitted in BLS ambulances)	A0384
A0425	ALS mileage (per mile)	A0390 (averaged with A0380)
None	ALS specialized service disposable supplies; defibrillation (to be used only in jurisdictions where defibrillation cannot be performed by BLS ambulances)	A0392
None	ALS specialized service disposable supplies; IV drug therapy	A0394
None	ALS specialized service disposable supplies; esophageal intubation	A0396
None	ALS routine disposable supplies	A0398
None	Ambulance waiting time (ALS or BLS), one-half (1/2) hour increments	A0420
None	Ambulance (ALS or BLS) oxygen and oxygen supplies, life sustaining situation	A0422
None	Extra ambulance attendant, ALS or BLS (requires medical review)	A0424
None	Unlisted ambulance service	A0999
A0432	Paramedic ALS intercept (PI), rural area transport furnished by a volunteer ambulance company which is prohibited by state law from billing third party payers.	Q0186
A0435	Air mileage; FW, (per statute mile)	Local Carrier Code
A0436	Air mileage; RW, (per statute mile)	Local Carrier Code

<i>Definitions of Level of Service</i>	
BLS	Basic Life Support (BLS): Where medically necessary, the provision of basic life support (BLS) services as defined in the National EMS Education and Practice Blueprint for the EMT-Basic including the establishment of a peripheral intravenous (IV) line.
ALS1	Advanced Life Support, Level 1 (ALS1): Where medically necessary, the provision of an assessment by an advanced life support (ALS) provider and/or the provision of one or more ALS interventions. An ALS provider is defined as a provider trained to the level of the EMT-Intermediate or Paramedic as defined in the National EMS Education and Practice Blueprint. An ALS intervention is defined as a procedure beyond the scope of an EMT-Basic as defined in the National EMS Education and Practice Blueprint.
ALS2	Advanced Life Support, Level 2 (ALS2): Where medically necessary, the administration of at least three different medications and/or the provision of one or more of the following ALS procedures: Manual defibrillation/cardioversion, Endotracheal intubation, Central venous line, Cardiac pacing, Chest decompression, Surgical airway, Intraosseous line.

SCT	Specialty Care Transport (SCT): Where medically necessary, in a critically injured or ill patient, a level of inter-facility service provided beyond the scope of the Paramedic as defined in the National EMS Education and Practice Blueprint. This is necessary when a patient's condition requires ongoing care that must be provided by one or more health professionals in an appropriate specialty area (nursing, medicine, respiratory care, cardiovascular care, or a paramedic with additional training).
PI	Paramedic Intercept (PI): These services are defined in 42 CFR 410.40. They are ALS services provided by an entity that does not provide the ambulance transport . Under limited circumstances, these services can receive Medicare payment.
FW	Fixed Wing Air Ambulance (FW): Fixed wing air ambulance is provided when the patient's medical condition is such that transportation by either basic or advanced life support ground ambulance is not appropriate. In addition, fixed wing air ambulance may be necessary because the point of pick-up is inaccessible by land vehicle, or great distances or other obstacles (for example, heavy traffic) are involved in getting the patient to the nearest hospital with appropriate facilities.
RW	Rotary Wing Air Ambulance (RW): Rotary wing air ambulance is provided when the patient's medical condition is such that transportation by either basic or advanced life support ground ambulance is not appropriate. In addition, rotary wing air ambulance may be necessary because the point of pick-up is inaccessible by land vehicle, or great distances or other obstacles (for example, heavy traffic) are involved in getting the patient to the nearest hospital with appropriate facilities.